

Item 1 – Cover Page

Bluemound Asset Management, LLC  
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4-1-2013

This Brochure provides information about the qualifications and business practices of Bluemound Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 414-617-6669 or [Kirk@Bluemoundassetmanagement.com](mailto:Kirk@Bluemoundassetmanagement.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Bluemound Asset Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Bluemound Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 4-1-2013 is a new document prepared according to the SEC’s new requirements and rules

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#### Item 4 – Advisory Business

Bluemound Asset Management, LLC is a domestic limited liability company whose Articles of Organization are filed with the State of Wisconsin. Kirk Spano is the sole member and owner of Bluemound Asset Management, LLC. The firm became active as a Registered Investment Advisor in Wisconsin on June 30, 2010.

The Advisor's primary businesses are:

- Discretionary asset management supervision of client investment accounts held at one of our chosen broker-dealer custodians billed on a percentage of assets under management basis. This business represents approximately 60% of Bluemound Asset Management, LLC's business.
- General financial and investment planning consulting, and other financial services and financial consulting, including but not limited to, retirement planning, estate planning, small business retirement plans i.e. 401(k), etc... billed on an hourly basis. This business represents approximately 40% of Bluemound Asset Management, LLC's business.

Bluemound Asset Management, LLC currently offers various investment strategies for clients, which the Advisor manages on a discretionary basis, all of which are billed as fee only to the client from the Advisor, although custodial discount brokerage fees, including trading, maintenance and other fees are also charged to the client by our chosen broker-dealer custodian(s) (currently Interactive Brokers):

The Advisor provides investment supervisory services for accounts on a discretionary basis. Our discretionary investment authority may not be limited by conditions imposed by clients in their stated investment policy objectives or guidelines, or in written instructions provided to Bluemound Asset Management, LLC. In cases when a client has certain restrictions or wishes he or she would like to impose, the Advisor will develop a special strategy specific to the client if possible, otherwise the Advisor may enter into a consulting only agreement whereby we do not directly manage certain accounts or assets on a discretionary basis.

Currently, we do not have a pure "fixed income" strategy due to the historic low interest rate environment. We expect to add one in the next few years as interest rates rise.

As of 4-1-2013 Bluemound Asset Management, LLC managed between \$6 million and \$10 million on a discretionary basis, and consulted on between \$6 million and \$10 million on a non-discretionary basis.

Bluemound Asset Management, LLC is located in Elm Grove, WI, a western suburb of Milwaukee, Wisconsin and provides services throughout the State of Wisconsin, as well as, via the de minimus exception in several other at this time, as described at the State of Wisconsin Department of Financial Institutions website:

<http://www.wdfi.org/fi/securities/licensing/iaguide/DeMinimisExemption.htm>

## Item 5 – Fees and Compensation

Bluemound Asset Management, LLC's fee schedule for discretionary asset supervision in managed accounts is based on a percent of assets under management, as follows:

Household Assets Under Management	Annual Percentage Based Fee
Up to \$1,000,000	1%
Over \$1,000,000	.75%

All households or businesses with accounts with Bluemound Asset Management, LLC are also charged a flat \$400 per year administration fee to partially cover our costs of setting up accounts, record keeping and various administrative expenses.

For non-discretionary financial consulting and financial planning services the Advisor bills at an hourly rate of \$200 subject with a \$400 annual minimum. All fees are subject to negotiation.

The fees noted above may be waived or reduced when, for example, a new account is expected to grow rapidly in size (due to assets being added from other sources), a relationship exists with a present client or for other reasons at the Advisor's discretion.

The specific manner in which fees are charged by Bluemound Asset Management LLC's is established in a client's written agreement with Bluemound Asset Management LLC's . Bluemound Asset Management LLC's bills its fees on a quarterly basis in advance. Clients may also elect to be billed directly for fees or to authorize Bluemound Asset Management LLC's to directly debit fees from client accounts. Accounts initiated during a calendar quarter will be charged a prorated fee. Accounts terminated during a quarter will be billed through the end of the month services were cancelled, or the following month if cancelled prior to fourteen days before the end of the month, subject to a \$500 maximum. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, subject to the preceding stipulations; and any earned, unpaid fees will be due and payable.

Bluemound Asset Management LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, internal mutual fund expenses, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus, which clients pay net of returns in most cases.

Such charges, fees and commissions are exclusive of and in addition to Bluemound Asset Management LLC's's fee, and Bluemound Asset Management LLC shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Bluemound Asset Management LLC considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### Item 6 – Performance-Based Fees and Side-By-Side Management

Bluemound Asset Management LLC's does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### Item 7 – Types of Clients

Bluemound Asset Management, LLC provides the various listed financial services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities and trust programs.

#### Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

**Investing in securities always involves risk of loss that clients should be prepared to bare.**

Past performance of this firm, any individuals associated with it, Kirk Spano or managers whom we select to work with are not indicative of any future results, and no guarantee or warranty of any kind is made in relation to performance of investment accounts or advice given.

Summary of risks and methodology for our investment strategies:

In general, all of our investment strategies involve both market related risks and risks inherent to each security purchased, as well as, all of the typical risks associated with investing. In particular since most of our strategies involve global investing, there may be different risks than investments in securities of U.S. companies, including adverse political, social, economic or other developments that are unique to a particular country or region.

**There is always a risk of loss of investment principle.**

We rate our strategies based upon aggressiveness for taking risk from 1 to 5 with 1 being the most aggressive and 5 the least aggressive.

For a more detailed discussion of Bluemound Asset Management, LLC's investment strategies, contact Bluemound Asset Management, LLC.

#### Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Bluemound Asset Management, LLC. Bluemound Asset Management, LLC has no information applicable to this Item.

#### Item 10 – Other Financial Industry Activities and Affiliations

Kirk Spano, the sole member and owner of Bluemound Asset Management, LLC is also the sole member and owner of Wisquote Insurance Services, LLC. Wisquote Insurance Services, LLC is a domestic limited liability company whose Articles of Organization are filed with the State of Wisconsin provides life and health insurance sales and consulting services, including regarding life insurance, health insurance, long term care insurance, medicare supplement insurance and disability insurance to individuals and small companies. Wisquote Insurance Services, LLC can be found at [www.Wisquote.com](http://www.Wisquote.com).

#### Item 11 – Code of Ethics

Bluemound Asset Management, LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Bluemound Asset Management, LLC must acknowledge the terms of the Code of Ethics annually, or as amended.

Bluemound Asset Management, LLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Bluemound Asset Management, LLC has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Bluemound Asset Management, LLC, its affiliates and/or clients, directly or indirectly, have a position of interest. Bluemound Asset Management, LLC's employees and persons associated with the Advisor are required to follow Bluemound Asset Management, LLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of ["ADVISER"] and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Bluemound Asset Management, LLC's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Bluemound Asset Management, LLC will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Bluemound Asset Management, LLC's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some

circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Bluemound Asset Management, LLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Bluemound Asset Management, LLC's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Bluemound Asset Management, LLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Bluemound Asset Management, LLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kirk Spano or visiting Bluemound Asset Management, LLC's website at [www.BluemoundAM.com](http://www.BluemoundAM.com)

It is Bluemound Asset Management, LLC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Bluemound Asset Management, LLC will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 – Brokerage Practices

Bluemound Asset Management, LLC receives no Soft dollar benefits beyond use of the custodial/broker-dealer platforms provided for the purposes of managing accounts, which may include research, aggregation, charting or other similar benefits.

Bluemound Asset Management, LLC chooses which custodians/broker-dealers to use strictly based upon their ability to help Bluemound Asset Management, LLC facilitate its business.

**Bluemound Asset Management, LLC does not receive any of the commissions or fees charged by custodians/broker-dealers**, or other managers that we may use on those custodial platforms. Bluemound Asset Management, LLC also has no control over the costs

involved with trading, however, will do all that it can to keep expenses low when possible as we recognize that lower expenses often result in better investment returns.

Clients may not select the custodian/broker-dealer for discretionary accounts, however, for consulting cases the client may select any custodian/broker-dealer they wish to use.

#### Item 13 – Review of Accounts

Bluemound Asset Management, LLC reviews discretionary accounts on an ongoing basis and provides quarterly performance reporting via a third party. Clients also have access to their accounts and account statements online via the custodian/broker-dealer website at any time using their secure user name and password information.

The Advisor may offer written financial plans which discuss securities ownership as might relate to various investment, financial and estate planning issues on a consulting basis as is timely. The Advisor may also offer written financial plans which discuss various household financial issues, such as but not limited to, debt management, education planning and real estate ownership as might relate to various financial and estate planning issues.

Such services are billed on the hourly fee schedule per Item 5.

#### Item 14 – Client Referrals and Other Compensation

We have no third party compensation agreements with other persons or business for receiving client referrals.

#### Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Bluemound Asset Management, LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Bluemound Asset Management, LLC currently uses Interactive Brokers as its primary custodian/broker-dealer for discretionary accounts.

Non-discretionary accounts may be held at a custodian of the client's choosing.

#### Item 16 – Investment Discretion

Bluemound Asset Management, LLC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Bluemound Asset Management, LLC observes the investment policies, limitations and restrictions of the clients for which it advises by placing the client in an appropriate investment strategy as described above.

Investment guidelines and restrictions must be provided to Bluemound Asset Management, LLC in writing.

#### Item 17 – Voting Client Securities

As a matter of firm policy and practice, Bluemound Asset Management, LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Bluemound Asset Management, LLC may provide advice to clients regarding the clients' voting of proxies.

#### Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Bluemound Asset Management, LLC's financial condition. Bluemound Asset Management, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### Item 19 – Details regarding Kirk Spano

Kirk Spano, born February 7, 1970 is the sole member of Bluemound Asset Management, LLC at this time. He has a bachelor of art's degree in economics and a bachelor of art's degree in political science from the University of Wisconsin at Milwaukee, having graduated in 1994. In 1997 Kirk passed both the general securities representative series 7 exam and the uniform investment advisor law series 65 exams. He has worked continuously in the securities and investment advisory industry since that time. He was a broker and investment advisor representative with SII Investments from 1996 to 2009. He was dual registered as an investment advisor representative with Annex Wealth Management, LLC and SII from 2006-2009. In December 2009 he affiliated with H.Beck, a FINRA firm, as a broker, while maintaining his relationship with Annex. In September of 2010 Mr. Spano made the decision to become a

purely fee only adviser, severed with H.Beck and Annex, and deactivated his Series 7 license as a broker. Since 1993, Kirk has also been a State of Wisconsin licensed life and health insurance resident agent providing insurance services to his clients. Mr. Spano has been a member of the Institute of World Affairs and has served as the Commissioner of the Milwaukee Baseball League.

In 2011, Mr. Spano became nationally published by MarketWatch.com of the Wall Street Journal Network, America's largest financial publishing company, when he was selected over 150 other entrants in a the "*World's Next Great Investing Columnist*" competition. Mr. Spano's articles can be found at [www.MarketWatch.com](http://www.MarketWatch.com).

Mr. Spano is also published on the Motley Fool Network which is a top five financial publisher in the United States. He is also published by various other publications throughout Wisconsin, including the Biztimes.com, WisBusiness.com and the My Community Now publications owned by Journal Sentinel Communications.

All future investment advisor representatives of Bluemound Asset Management, LLC will have at least a bachelor's degree and a clean regulatory history to be considered for employment by the firm.

#### Item 20 – Minimum Client Responsibilities

- To provide to Bluemound Asset Management, LLC relevant information as deemed necessary by Bluemound in order to perform its duties as Registered Investment Advisor.
- To notify Bluemound Asset Management, LLC of any material changes to the financial circumstances of the client in a timely manner, generally within one month of such occurrences.
- To understand that investment strategies play out over an extended time frame and that Bluemound Asset Management, LLC's approach generally requires a minimum of three to seven years to be effective in cases where such strategies are effective. There is no guarantee of any kind that our investment strategies will be profitable or effective. All investment strategies carry risk of loss of principle.
- To read the quarterly letter that Kirk Spano publishes at his website and various email that might be sent out from Bluemound Asset Management, LLC or Kirk Spano.
- To read the Bluemound Asset Management, LLC ADV II Brochure and any disclaimers and materials deemed important per communications from Bluemound Asset Management, LLC, such as but not exclusive to *Privacy Policy*, *Code of Conduct*, *Outside Links Disclaimer* regarding our websites and the [Characteristics and Risks of Standardized Options](#).

- To attend during their first year, an investment workshop discussing asset allocation, general investment and option strategies as provided by Bluemound Asset Management, LLC.
- To contact Bluemound Asset Management, LLC as requested to arrange annual and/or semi-annual review appointments.